

IRS News Release

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IRS Expands Pre-Filing Agreement Program

IR-2004-156, Dec. 22, 2004

WASHINGTON – Large and Mid-Size Business division taxpayers seeking to resolve certain tax issues prior to filing their tax returns may now do so for multiple years under the IRS Pre-Filing Agreement (PFA) Program. The IRS issued revised PFA program guidelines today that provide taxpayers and the IRS increased flexibility to enter into PFAs to resolve issues for the current taxable year and up to four future taxable years.

The PFA program is designed to permit a taxpayer to resolve the treatment of an issue before the filing of a return. The PFA program reduces taxpayer burden and makes more effective use of IRS resources by eliminating tax controversy before the tax return is filed and providing certainty that agreed upon tax positions will not be challenged during the post-filing examination process.

“We have expanded the PFA program based on suggestions we received from taxpayers regarding how the IRS could improve the program,” said Large and Mid-Size Business Commissioner Deborah M. Nolan. “The changes reflect our focus on reducing taxpayer burden and, where possible, resolving issues during the pre-filing process.”

Large and Mid-Size Business division serves business taxpayers with assets greater than \$10 million.

Other issue resolution procedures, such as the Accelerated Issue Resolution (AIR) Program or Early Referral to Appeals, remain available to taxpayers who are not eligible for the PFA program or who are unable to reach an agreement through the PFA program.

The revisions to the IRS Pre-Filing Agreement Program are detailed in Revenue Procedure 2005-12. This guidance, as well as information about other issue resolution programs, can be viewed at IRS.gov.